Montana Board of Oil and Gas Conservation Environmental Assessment

Operator: X10 Energy, Inc.
Well Name/Number: Brown State 41X-36
Location: NE NE Section 36 T26N R52E
County: Richland, MT; Field (or Wildcat) Wildcat
Air Quality
(possible concerns)
Long drilling time: No, 25-35 days drilling time.
Unusually deep drilling (high horsepower rig): Triple derrick rig 1000 HP to drill a single lateral
horizontal Bakken Formation well, 18,215'MD/9010'TVD.
Possible H2S gas production: Slight possibility of H2S gas production.
In/near Class I air quality area: No, class I air quality area.
Air quality permit for flaring/venting (if productive): Yes, if productive. DEQ air quality permit required.
Mitigation:
_X Air quality permit (AQB review)
Gas plants/pipelines available for sour gas
Special equipment/procedures requirements
Other:
Comments: Existing gas pipelines in the area.
Water Quality
(possible concerns) Salt/oil based mud: Yes, to long string/intermediate casing hole will use oil based invert drilling fluids.
Horizontal hole to be drilled with brine water. Surface casing hole to be drilled with freshwater and
freshwater mud.
High water table: Yes, high water table possible.
Surface drainage leads to live water: No, closest drainage is an unnamed ephemeral tributary drainage, to
West Charlie Creek adjacent to this location to the west and 1/4 of a mile to the north from this location.
Water well contamination: No, closest water wells are about 1 mile and further from this location. The
wells are a mix of stock water and domestic water wells, from 24' to 260' in depth. Operator will drill a
1100'+ surface hole with freshwater and freshwater mud system and set 1100' of surface casing cemented
to surface to protect groundwater.
Porous/permeable soils: No, sandy silty clay soils.
Class I stream drainage: No, Class I stream drainages.
Mitigation:
X Lined reserve pit
X Adequate surface casing
X Berms/dykes, re-routed drainage
Closed mud system
Off-site disposal of solids/liquids (in approved facility)
Other:
Comments: 1100' surface casing well below freshwater zones in adjacent water wells. Also,
covering Fox Hills aquifer. Adequate surface casing and BOP equipment to prevent problems. Route
ephemeral drainage around west side of location.
Soils/Vegetation/Land Use

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Steam crossings: None, utilizing exiting county roads and crossings.

(possible concerns)

High erosion potential: No, small cut up to 8.5' of cut and small fill up to 8.2', required.

Loss of soil productivity: None, location to be restored after drilling well, if nonproductive. If productive unused portion of drillsite will be reclaimed.

Unusually large wellsite: No, large well site 430'X330'

Damage to improvements: Slight, surface use appears to be cultivated land.

Conflict with existing land use/values: \underline{Slight}

Mitigation

- __ Avoid improvements (topographic tolerance)
- __ Exception location requested
- X Stockpile topsoil
- __ Stream Crossing Permit (other agency review)
- X Reclaim unused part of wellsite if productive
- __ Special construction methods to enhance reclamation
- <u>X</u> Other: <u>Requires DEQ General Permit for Storm Water Discharge Associated with</u> Construction Activity, under ARM 17.30.1102(28).

Comments: Access will be over existing county roads, #201, 314 and 143. An access will be built from the existing county road into this location. Oil based drilling fluids will be recycled. Freshwater surface hole cuttings will be buried on site. Oil based drill cuttings will be buried in the lined reserve pit. Completion pit fluids will be hauled to a permitted saltwater disposal. Pit will be backfilled when dry. No concerns.

Health Hazards/Noise

(possible concerns)

Proximity to public facilities/residences: Yes, residences, about 1 mile to the west and 1 ¼ miles to the south from this location.

Possibility of H2S: <u>Slight</u>

Size of rig/length of drilling time: Triple drilling rig 25 to 35 days drilling time.

Mitigation:

- _X Proper BOP equipment
- __ Topographic sound barriers
- __ H2S contingency and/or evacuation plan
- __ Special equipment/procedures requirements

Other:

Comments: Adequate surface casing, 1100', cemented to surface with working BOP stack should mitigate any problems. Noise should not be a problems, sufficient distance from residence to rig should mitigate this.

Wildlife/recreation

(possible concerns)

Proximity to sensitive wildlife areas (DFWP identified): None identified.

Proximity to recreation sites: <u>None identified.</u> Creation of new access to wildlife habitat: No

Conflict with game range/refuge management: No

Threatened or endangered Species: <u>Threatened or endangered species listed in Richland county by USFW service are Pallid Sturgeon, Piping Plover, Interior Lease Tern and Whooping Crane.</u>

Mitigation:

- __ Avoidance (topographic tolerance/exception)
- <u>X</u> Other agency review (DFWP, federal agencies, DSL)
- __ Screening/fencing of pits, drillsite

__ Other:_____

Comments: <u>Surface location is on Trust Land surface</u>. <u>Trust Lands will do surface EA</u>. <u>Surface location is a cultivated field with no live water nearby</u>.

Historical/Cultural/Paleontological
(possible concerns) Proximity to known sites: None identified
Mitigation
avoidance (topographic tolerance, location exception)
<u>X</u> other agency review (SHPO, DSL, federal agencies)
Other:
Comments: Surface location is on Trust Land surface. Trust Lands will do surface EA.
_Surface use appears to be cultivated land.
_surface use appears to be cultivated fand.
Social/Economic
(possible concerns)
Substantial effect on tax base
Create demand for new governmental services
Population increase or relocation
Comments: Development well in an established producing spacing unit. No
concerns.
Remarks or Special Concerns for this site
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Development well in an existing spacing unit. A single lateral horizontal Bakken Formation well,
18,215'MD/9010'TVD.
Summary: Evaluation of Impacts and Cumulative effects
No long term impact expected. Some short term impacts will occur.
I conclude that the approval of the subject Notice of Intent to Drill (does/does not) constitute a major
action of state government significantly affecting the quality of the human environment, and (does/ <u>does</u>
<u>not</u>) require the preparation of an environmental impact statement.
Prepared by (BOGC):/s/ Steven Sasaki
(title:) Chief Field Inspector
Date: February 18, 2010
Other Persons Contacted:

(Name and Agency)
Montana Bureau of Mines and Geology, Groundwater Information Center
website.
(subject discussed)
Water wells in Richland County
(date)

February 18, 2010

US Fish and Wildlife, Region 6 website (Name and Agency) ENDANGERED, THREATENED, PROPOSED AND CANDIDATE SPECIES MONTANA COUNTIES, Richland County (subject discussed) February 18, 2010 (date) If location was inspected before permit approval: Inspection date: _____ Inspector: _____ Others present during inspection: _____